

NOTE: These minutes do not constitute a verbatim transcription of the CPC meeting.

**CITY PLANNING COMMISSION
REGULAR MEETING
March 3, 2005**

APPROVED

Call to Order: The meeting was called to order by Chairperson Arthur Simons in the Committee of the Whole Room, 13th Floor of the Coleman A. Young Municipal Center, at 4:50 PM.

Roll Call: Present at the meeting were Commissioners Cason, Christensen, Glaser, Glenn, Jeffrey, Simons, Smith, Wendler and Williams.

Agenda: The Agenda was approved as submitted.

Minutes: ACTION: Commissioner Cason moved to approve the minutes of Regular Meeting of February 3, 2005.
Commission Glenn seconded the motion.
Motion carried.

OLD BUS. — Request of Landmark Healthcare Facilities to modify a PD in area of 7733 E. Jefferson; Rezone area of E. Lafayette, Sheridan, Congress and Field from R5 to PD to allow for medical office building & parking:

Further consideration was given to the request of Landmark Healthcare Facilities to modify the plans for the existing PD (Planned Development District) zoning classification for property located at 7733 E. Jefferson Ave. (St. John Detroit Riverview Hospital) to construct a new medical office building and to rezone property generally bounded by E. Lafayette Ave., vacated Sheridan Ave., Congress St., and the alley first east of Field Ave. from R5 (Medium Density Residential District) to PD (Planned Development District) in order to expand the existing parking area for the Hospital.

CPC staff member Heidi Alcock reviewed the project and responded to concerns raised at the CPC public hearing of February 3, 2005. Issues raised at that time included traffic circulation and impacts, the amount of parking required for the development, the impact of the closure of Sheridan, and the condition and use of the alley first north of Jefferson between Seyburn and Van Dyke.

The development calls for the construction of a new three-story, 63,921 square foot medical office building to be attached to the northwest section of the hospital by a connector link, the size being approximately 27 feet 8 inches in height. The three floors of the building, approximately 38 feet in height, will be used for physician office space. A portion of the basement will be used for laboratory outpatient services, and the remainder of the basement will be used for medical records, a library, graduate education, and laboratory support services.

The ground coverage of the medical office building would be 16,874 square feet (.39 acres). The total gross square footage for the building would be 63,921. The gross square footage

for the connector link would be 1,400 giving a combined gross square footage of 65,321 for the medical office building and connector link.

The development also calls for the expansion of the existing parking area for the hospital campus (603-725 Sheridan) to provide for 391 new parking spaces to replace the 93 spaces displaced by the proposed medical office building as well as to accommodate the new medical office building.

Ms. Alcock reviewed concerns raised by the community relative to traffic on residential streets and other traffic circulation issues and their overall interest in keeping as much of the hospital traffic out of the neighborhood as possible. Residents felt that additional traffic generated from the medical office building could make matters worse. Residents already felt that there is too much traffic on residential streets, that the traffic drives too fast, and that it is especially dangerous because of the narrow width of the streets and the on-street parking.

As to the amount of traffic generated by a 68,000 square foot medical office building, CPC staff noted that the Zoning Ordinance requires 259 parking spaces in order to accommodate the new medical office building. However, traffic volumes within and around the campus will vary throughout any given day and throughout the days of the week based on the hours of operation, shift changes, the number of employees, the number of patients being served, and the occupancy of all the buildings within the hospital's campus.

CPC staff noted that the Traffic Engineering Department recommended the closure of Sheridan without requiring the developer to submit a traffic impact study. Such a study would predict how the closure would affect Van Dyke Ave., Lafayette, and the intersection at Jefferson and E. Grand Blvd. On February 7, 2005, CPC staff sent a letter to the Department inquiring as to the rationale for the closure of Sheridan; the expected impacts of closing Sheridan; the impact on Van Dyke Ave. given its narrowness, cars parking on both sides of the street, density and residential character; the ability of the traffic light at Grand Blvd. and Jefferson to handle an expected increase in traffic; the impact of the closure on Lafayette; the need for additional signage and/or other traffic control devices to improve the flow of traffic, particularly on the surrounding residential streets; and the need to review traffic studies and suggestions made in the past for this part of the City. In a subsequent email, CPC staff inquired as to the Department's opinion as to a curb cut on the Jefferson boulevard at Field St. in order to give north-south traffic another alternative to access and ability to turn left on Jefferson. A copy of an email response from Traffic Engineering was included in the CPC table packets.

CPC staff expressed concern regarding the concentration of buildings in the southeast portion of the site and parking concentrated on the western portion. Expansion of the surface parking to the west would require visitors or employees to walk as much as 600 feet from the farthest spaces to the entrance. The hospital has indicated that the proposed expansion of surface parking is necessary to meet the parking requirements of the City's Zoning Ordinance. CPC staff felt that the surface parking area should include a clearly marked pedestrian path and appropriate lighting in order to create a safe path for pedestrians. In addition, staff would like to see an additional 1,600 to 2,000 square feet in greenways and landscaping in order to break up the expanse of concrete.

Concern had been raised as to whether the Zoning Ordinance requires too much parking. CPC staff noted that the hospital is currently operating at less than its maximum capacity. The hospital is planning to increase its activity, in part, through the proposed expansion, which will allow the hospital to expand the number and types of medical services being provided. CPC staff felt that this site should be developed to accommodate the hospital's maximum capacity given the anticipated outcomes of the proposed expansion as well as the residential growth that is occurring and expected to continue in the area.

As to residents' preference for construction of a parking structure instead of expanding the surface parking, CPC staff referred to correspondence from the hospital analyzing the financial implications of providing a parking structure rather than surface parking. The hospital also submitted examples of hospital expansions that utilized surface parking rather than a parking structure within the City of Detroit and surrounding suburbs. The correspondence estimated a parking structure to cost \$4 million, which represents a 40% increase to the construction cost. The correspondence also noted that hospital developments with parking structures commonly charge for parking in order to offset the cost. However, St. John Riverview has a mission to serve lower income communities and does not want to impose parking costs on its clients. The hospital also considered the impacts of passing the additional costs on to the physician tenants. Even without a parking structure, tenants will be paying rent that is above prevailing market rent for the area. The parking structure would add \$8.00 per square foot to the rental rate, an increase of over 35%. The correspondence concluded that the project would be financially impossible if required to construct a parking structure.

As to the alley first north of Jefferson between Seyburn and Van Dyke Ave. being improperly used as a cut-through for hospital traffic, and the wear and tear resulting from the excessive alley traffic, CPC staff noted that options have been explored to reduce traffic in the alley and/or improve access to the parking lot behind the old Jennings Hospital. The options included a permanent vacation, a temporary closure with a gate at Van Dyke Ave., making the alley one-way heading east with a forced right hand turn on Van Dyke Ave. and considering a Jefferson curb cut to access the lot behind the old Jennings Hospital. CPC staff and most of the adjacent property owners felt a temporary closure was the best solution since it would contain all of the traffic within the hospital campus, but still allow flexibility over time to respond to changing conditions. Two adjacent property owners, however, will not consent to this option because they do not want to be prohibited from accessing Van Dyke Ave. As an alternative, the Traffic Engineering Division has been requested to consider the one-way option with a forced right hand turn at Van Dyke Ave. Although this option may not control traffic to the same extent as a temporary closure, it would eliminate the current two-way traffic pattern that can be dangerous and difficult to maneuver.

To improve the very poor physical condition of the alley, CPC staff noted that the Traffic and Engineering Division of DPW have given verbal agreement to patching the alley. If patching does not improve the situation, the adjacent property owners could consider a joint financial arrangement for a more permanent alley improvement project.

CPC staff cited the community's concern regarding a number of outstanding issues that were to be resolved as a result of a Memorandum of Understanding reached in 1999 between

West Village Association and the hospital when the hospital built the Emergency Room. Issues that have been resolved as of the February 3, 2005 correspondence from the President of the West Village Association include standards of grounds maintenance and snow removal, development of a pocket park, maintaining property of an adjacent absentee landlord, working together to report parking and noise problems, coordinating security patrols, and opening lines of communication through regular meetings, and joint volunteer activities. Outstanding issues include the closure and repair of the Seyburn-to-Van Dyke Ave. alley, concerns about hospital traffic on residential streets, and concerns about the closure of Sheridan. The Association and the hospital are negotiating a new Memorandum of Understanding regarding the development of the pocket park.

CPC staff recommended approval of the request provided that the alley first north of Jefferson between Seyburn and Van Dyke Ave. be converted to a one-way alley heading east with a forced right-hand-turn on Van Dyke Ave. and that the east end of the alley be physically improved; that the City patch the alley first north of Jefferson between Seyburn and Van Dyke Ave. and if patching is not adequate, that the adjacent property owners along with the City should explore a shared financial arrangement for a more permanent alley improvement project; that the Department of Public Works Traffic Engineering Division consider a curb cut in the median on Jefferson Ave. at Field Street to provide another option besides East Grand Blvd. and Van Dyke Ave. for north-south traffic through the neighborhood; that the final site plans include an additional 1,500 to 2,000 square feet in green space and landscaping in order to visually break up the expanded parking lot; that the final site plans designate a pedestrian pathway through the parking lot with appropriate lighting and signage; and that the final site plan, elevations and landscaping plan be submitted to CPC staff for review and approval prior to the issuance of applicable building permits.

CPC staff noted that the hospital has agreed to the conditions.

CPC staff indicated that it would continue to monitor the alley discussion and help to work towards a resolution that is agreeable to the adjacent property owners. CPC staff will continue to follow up with the DPW-Traffic Engineering Division and the community about the traffic issues and whether there are some signage or other traffic control devices that could be considered to mitigate any potential negative impacts of traffic on the residential community.

ACTION: Commissioner Cason moved to accept the CPC staff recommendation.
Commissioner Williams seconded the motion.

Commissioner Glenn inquired as to whether local or hospital traffic would be using the alley. Ms. Alcock noted traffic patterns in the area including access off of Seyburn, which becomes a circulatory internal road to the hospital. There is no physical prevention to the alley along Seyburn from Jefferson Ave. Traffic is usually hospital related.

Commissioner Glenn cited the potential for traffic congestion in the alley. He suggested the posting of a "local-traffic only" sign in the area.

Commissioner Wendler inquired as to the rationale for not closing the alley. Ms. Alcock noted that two adjacent property owners would not consent to the proposed closure. One of the properties is commercial; one residential. The commercial property is for sale.

The owner of the commercial property felt that marketability of the commercial property would be compromised if the alley were closed. However, once ownership changes, the idea of a permanent closure could be revisited. The owner of the residential property does not want to be prohibited from accessing Van Dyke Ave.

Commissioner Wendler inquired as to what motivation the City would have to provide a curb cut in the median on Jefferson Ave. at Field St. She expressed concern in not addressing all of the traffic problems. Ms. Alcock noted that CPC staff does not have all of the answers regarding traffic issues. CPC staff will continue to follow up with the DPW-Traffic Engineering Division and the community about the traffic issues and continue to monitor the situation. Upon questioning, Ms. Alcock noted that given current traffic counts, CPC staff could not see a direct connection between the Field St. curb cut and traffic generated by the hospital.

Commissioner Wendler inquired as to what leverage the neighborhood would have once the hospital has obtained its permits. After approval of the permits, there would be no pressure to address traffic congestion and alley problems. Application for permits and adherence to commitments to the neighborhood need to be concurrent. Ms. Alcock noted which mitigation efforts would be the City's responsibility.

Commissioner Wendler inquired as to what motivation the hospital would have to continuing to work with the community once it has obtained its permits.

Commissioner Jeffrey inquired as to whether the City has agreed to patch the alley, to make the alley one-way, and to provide a no left turn sign. Ms. Alcock noted that the City has only agreed verbally to patch the alley.

Commissioner Jeffrey stated that he was not opposed to the project but expressed concern that once approved, there would only be good faith efforts and not a guarantee that commitments to the community would be carried out.

Commissioner Williams expressed concerns regarding leverage. He expressed opposition to approving the project and forwarding it on to City Council before receiving answers to outstanding questions.

Discussion ensued on timing and financing constraints. Ms. Alcock noted that the hospital hopes to break ground in March. If approvals are not obtained before City Council's spring recess, the hospital will lose valuable construction time. Time has been reserved on City Council's calendar to consider the project in the month of March. Commissioner Williams felt that in light of such constraints, there would be more incentive for the hospital and the city to resolve the problems.

Marsha Bruhn recommended amending the CPC staff recommendation to require the obtainment of commitments from the DPW and the hospital to patch the alley and from the DPW-Traffic Engineering to make the alley one way and to provide a curb cut in the median on Jefferson Ave. at Field St. prior to City Council approval or obtaining required permits.

Discussion ensued on compliance with the Master Plan of Policies. Ms. Alcock noted that the P&DD indicated that the proposed parking expansion area is not in compliance with the Master Plan. However, B&SE indicated that because the existing R5 zoning classification allows the proposed use, B&SE would approve permits. CPC staff expressed support for making all of the hospital property PD.

Commissioner Glaser suggested amending the CPC staff recommendation to include detail and time frame for the completion of the pocket park.

Commissioner Williams expressed the need to obtain commitment in writing prior to forwarding a recommendation to City Council. Once the Commission takes action, the proposal would not come back to the Commission for further discussion and action should conditions not be met.

Citing the concerns of the community and citing past difficulties between the hospital and the community, Commissioner Jeffrey felt that commitments should be secured before the Commission took action.

Commissioner Cason expressed satisfaction with CPC staff's amended recommendation. He was willing to maintain his motion with the amendments offered by CPC staff and Commissioner Glaser. Commissioner Williams did not accept the amendments.

Commissioner Jeffrey emphasized that a viable community has asked for CPC's assistance in resolving traffic and other issues. The issues should be resolved before the Commission moves forward on the project.

Commissioner Cason withdrew his motion. Commissioner Williams concurred with the withdrawal.

The matter was taken under advisement.

(Please see additional discussion that occurred later in the meeting.)

Director's
Report:

Ms. Bruhn presented the Director's Report.

City Council approved the amendment to the PD zoning district for the Blue Cross/Blue Shield parking structure and associated changes, as recommended by the Commission. The Council also approved the Capital Agenda for 2005-06 through 2009-10 with a number of amendments recommended by individual City Council members and the Commission, including reallocating some park improvement funds to recreation center renovations, and adding four areas for Federal and State funding for commercial development and housing. City Council introduced the ordinance on the new proposed Zoning Ordinance. The hearing is scheduled for March 14, 2005 at 4:00 PM in the Committee of the Whole Room. The Commissioners requested to receive copies of the Ordinance prior to March 14.

A tour of the Department of Administrative Hearings is scheduled for Tuesday, March 8 at 1:00 PM.

CPC staff is still trying to finalize a list of CDBG/NOF applicants for 2005-06, including the number of organizations applying for funding that did not receive funding last year. There are 402 proposals requested for consideration (and this may increase as staff finds multiple proposals in some of the packets). The Citizen Review Committee is moving very expeditiously in its review.

According to a report from Medina Noor on February 17, 2005, of the 1905 blight violations filed with the Department of Administrative Hearings, 1643 are property maintenance violations, 75 are zoning violations and 206 are environmental (solid waste, illegal dumping). Commissioner Glenn inquired as to whether the violations could be broken down according to zip code areas.

Copies of the Commission's proposed budget for 2005-2006 were distributed. No specific date has been given for City Council discussion on the Commission's budget.

The Commissioners expressed interest in scheduling a tour of the High School of Performing Arts and other projects in the Woodward corridor.

Housing
Strategy:

Further consideration was given to finalization of an affordable housing strategy.

CPC staff members Heidi Alcock, Deborah Ferris, James Ribbron, Janice Tillman, and Kathryn Underwood presented the proposed strategy, entitled *A Housing Strategy for Detroit: Increasing and Strengthening Detroit's Housing, Neighborhood, and Economic Opportunities*.

The development of a legislative strategy to address affordable housing in Detroit was an initiative borne out of the Commission's February 2004 retreat, which focused on affordable housing and neighborhood preservation. Subsequent to the retreat, a series of housing strategy committee meetings were held with the Commission to develop a housing strategy framework. The framework is based on the concept that housing and neighborhoods are inextricably linked and that a neighborhood strategy should be developed in concert with a housing strategy. CPC staff drafted a housing and neighborhood strategy framework and presented it to the Commission on September 16, 2004. The draft recommendations now being presented are based on the earlier strategy framework, Commissioners' feedback and City Council concerns.

Ms. Alcock noted key findings of CPC staff relative to the affordability problem, public housing, senior population, single-parent households, homelessness, diminishing public resources, declining tax base, neighborhood conditions and redevelopment efforts.

Over 30% of Detroiters are paying rents/mortgages that are not affordable to them. Current public housing resources are inadequate to meet the need and are expected to diminish further. A study conducted in 2003 by the Detroit Area Agency on Aging indicated a rapid loss of senior population in the area of Detroit, Highland Park, Hamtramck, Grosse Pointes and Harper Woods. A high percentage of City's homeowners are senior or soon-to-be seniors—27% of homeowners are age 65+; 43% are age 55+. The City is losing subsidized senior housing through the expiration of contracts, HUD foreclosure, etc. Detroit has a high percentage of single-parent households. The number of Detroiters homeless on any given

night ranges from 3,000 to 5,000. Annually, 12,000 to 26,000 experience homelessness. There is a gap in services for at least 10,877 persons. Local, State and Federal resources are diminishing—City General Fund, Community Development Block Grant funds, HOME, Emergency Service Grants, MSHDA and HUD Section 202. Population and housing units continue to decrease leading to a declining tax base. Between 1990 and 2000, Detroit lost 7.5% of its population and 8.5% of its housing. Neighborhoods in decline face many challenges, including vacant/abandoned properties, physical deterioration, lack of code enforcement, crime, aging infrastructure and limited retail and commercial options. Neighborhood conditions have historically been assessed in terms of physical conditions and financial investment; however, many neighborhood strategies are now recognizing the importance of “social capital”. The success of the City’s redevelopment efforts is limited due to ineffective resource allocation.

Ms. Underwood noted the reasons why neighborhoods matter in a housing strategy, the link between affordable housing and neighborhood preservation, and why the City should focus on preserving neighborhoods.

The City should focus on preservation to preserve housing, to retain current residents and attract new residents of varied income levels, to eliminate blight, to better allocate City resources, to enhance/support local business districts, and to empower people where they live to make and realize change. Prevention/preservation is more effective than damage control.

Ms. Ferris reviewed proposed policy goals. These included the need to preserve and expand housing choices for seniors, single-parent families and the homeless; preserve and maximize public housing resources for populations with the greatest needs; maintain and increase opportunities for homeownership, expand economic opportunities; increase housing opportunities through neighborhood stabilization/preservation and approach redevelopment holistically.

As to housing choices, CPC staff recommended the elimination of homelessness through prevention and stabilization programs; consideration of flexible pricing for affordable housing projects; requiring private developers to make a contribution to affordable housing if they want to develop for-profit housing; creating and promoting alternative financing for individuals who purchase City-owned properties to bring properties up to code; incorporating new affordable and special needs housing into every neighborhood and/or redevelopment plan; developing alternative housing options for seniors who have incomes beyond those eligible for Section 202, etc; preserving existing, subsidized senior housing by implementing the strategy approved by City Council in 2001; expanding choices for seniors within the City; using resources to facilitate “aging in place,” which is most seniors’ first choice; and addressing housing needs of single-parent families.

As to public housing resources, CPC recommended reinstating a policy of one-for-one replacement of public housing units and consideration of using City-owned housing units to develop more scattered public housing sites.

As to homeownership opportunities, CPC staff recommended consideration of implementing flexible pricing for affordable housing projects; preserving existing housing units; creating

and promoting alternative financing for individuals who purchase City-owned properties to bring properties up to code; examining tools for tax relief across all income levels; advocating to reduce insurance and utilities costs; implementing code enforcement; supporting/instituting homeownership classes for prospective and current homeowners; and strategically utilizing NEZ designations to encourage rehabilitation and construction of affordable units.

As to expanding economic opportunities, CPC staff recommended improving City residents' access to existing jobs, both inside and outside of the City; deciding how to package economic incentives (as well as where) that are city vs. developer-driven and are ready for development; and strengthening economic opportunities.

CPC staff reviewed specifics of each of the recommendations.

CPC staff cited the need to focus on preservation and stabilization of neighborhoods to facilitate community cohesiveness and empower residents, and to preserve and strengthen existing neighborhood assets. Large-scale redevelopment should be a strategy of last resort in the life of a neighborhood or to meet specific housing needs.

As to stabilization and preservation of the neighborhoods, CPC staff recommended instituting a toolbox with action steps and resources that can be utilized by neighborhood groups; presenting a neighborhood summit based on component of the toolbox and local/national best practices; targeting neighborhoods for comprehensive stabilization/preservation efforts based on the Model Blocks Program of Fort Worth, TX started in 1993; strategically utilizing NEZ designation to encourage rehabilitation and construction of affordable units; implementing a clear and consistent land pricing policy; deciding how to package economic incentives (as well as where) that are city vs. developer driven and provide development-ready land; implementing code enforcement; preserving existing housing units; considering flexible pricing for affordable housing projects; creating and promoting alternative financing for individuals who purchase City-owned properties to bring properties up to code; and supporting/instituting homeownership classes for prospective and current homeowners.

As to approaching redevelopment holistically, CPC staff recommended evaluating and finishing projects that are most close to completion, noting obstacles and successes for future development projects; incorporating home repair and rehabilitation so that they happen concurrently with new construction in redevelopment area; requiring that developers demonstrate that the community is being informed and engaged throughout the redevelopment process; incorporating a new affordable and special needs housing into every neighborhood and/or redevelopment plan; packaging economic incentives such as NEZ's and Obsolete Property Districts/certificates to encourage both housing and commercial redevelopment strategically; and implementing a clear and consistent land pricing policy.

CPC staff presented an overview of the proposed toolbox and Model Blocks program.

CPC staff noted that a toolbox constructed with action steps and resources can be developed that can be utilized by any neighborhood, along a continuum, from the least to most

organized. A neighborhood summit can be presented based on components of the toolbox and local/national best practices. Toolbox components would include aides and resources in the areas of community organizing, community policing, code enforcement/housing preservation, financial resources, utilizing volunteers, government resources, environment, and miscellaneous helps.

The planning phase of the toolbox would include inventorying and mapping existing organization groups; identifying potential partners in the City, non-profit sector, and business community; identifying financial resources for implementation; and conducting a focus group for community stakeholders to evaluate the toolbox concept and components.

Community organizations would be invited to a Neighborhood Summit to introduce the toolbox via a packet of written materials and resources and website information and links. A neighborhood needs assessment tool would be distributed at the summit. Presentations would be made on Detroit's best practices by successful organizations.

The implementation phase of the toolbox would consist of identifying priorities based on the Neighborhood Assessment and bringing the toolbox to the communities. CPC staff would initially coordinate activities and resources.

Maintenance of the toolbox would be on-going. The toolbox would be a dynamic instrument growing and changing based on the needs of the involved communities.

CPC staff reviewed the selection process for the Model Blocks program. Neighborhoods would be considered for selection via an application and evaluation process. Evaluation would be based on the needs of the community (income level, housing value and age, and unemployment), assets of the community (churches, community centers, other institutions, recent improvements and investment activity), strength of the organization (community representation on the board, proof of regular meetings) and community projects (safety patrol, newsletter, clean-ups, painting, etc.)

No more than three neighborhoods would be selected for assistance from City staff. A comprehensive plan would be submitted by the neighborhood organization, with an executive summary and budget, two months later. The neighborhood organization would present its plans to a panel of senior city staff who would select one winning neighborhood.

The Model Blocks program represents short and long term investment goals. In the short term, the City would commit to spending \$1.2 million in CDBG and HOME federal funds. Every City department would commit to providing assistance to the winning neighborhood. Upon completion of the City's work, the winning neighborhood would have improved its organizational capacity. This in turn would enable it to partner with other funders and lenders to leverage outside resources to implement the plan.

CPC staff noted that the Model Blocks program works because it combines concentrated geographic investment, areas with needs and assets, comprehensive planning and implementation, residential empowerment, public/private partnerships and leveraging resources.

CPC staff noted that the proposed housing strategy could be used when reviewing the 2005-06 CDBG/NOF recommendations, the revised Master Plan and future proposed strategies from the Administration regarding housing and/or neighborhoods. The strategy is consistent with the CPC's 2005-06 CDBG/NOF priorities. These priorities are to increase spending on homeless services, economic development, home repair for seniors, and alternative home repair programs tied to code enforcement and to decrease spending on demolition, and, when possible, staff.

The Commissioners praised CPC staff for their excellent report..

Commissioner Simons questioned why Detroit has lost so many citizens.

Commissioner Williams inquired as to how the neighborhoods for the Model Blocks program would be selected. Ms. Alcock reviewed the application and evaluation process used by the City of Fort Worth, Texas. The City of Detroit would not have to follow that process but perhaps some variation thereof. Additional dialogue would be needed.

Commissioner Cason felt that the recommendations of the CPC reminded him of the Model Cities program which failed. He felt that the housing strategy should place more emphasis on transportation. The strategy should also speak to safety issues, e.g., feelings of threat by single women headed households. He suggested that CPC staff meet with representatives of the FIA, law enforcement, the Prosecutor's Office, Police Department, Sheriff's Office and the Courts.

Commissioner Glenn noted resolutions proposed by the Blackstone Park Neighborhood Association and adopted by City Council in 1994 proposing similar strategies. The resolution was forwarded to the Mayor's office where it stopped. City Council and the Administration must support the strategy; otherwise, the strategy will not work. If they don't buy into the strategy, it is a waste of time.

Commissioner Glaser cited the need to incorporate "children" into the vision of single-parent families.

Commissioner Glaser inquired as to how citizens can exert political pressure. Ms. Tillman cited such strategies as attending public service commission meetings, expressing concerns to City Council, etc. Ms. Tillman noted minor success stories where political pressure has made a difference. Ms. Underwood cited possible outcomes when City Council and other public officials join together to advocate for a particular cause.

Commissioner Jeffrey applauded CPC staff for its excellent report. He complimented staff in proposing a "toolbox" that contains specific items and strategies with specific action steps. The strategy will generate excitement in the community and revitalize the neighborhoods. Commissioner Jeffrey inquired as to what the Commission could do during the budget process to jump-start the strategy. He expressed strong support for the neighborhood summit.

Commissioner Simons suggested forwarding a copy of the report to all concerned departments and schedule a meeting with them.

Commissioner Glenn suggested inviting the Mayor to a CPC meeting to discuss the report.

Commissioner Williams reminded the Commissioners of their role as appointees of City Council. He cited the need to convince City Council that the strategy developed by the CPC should be followed. He inquired as to next steps.

Ms. Bruhn noted that a one-hour discussion has been scheduled with City Council on April 11, 2005 to discuss the housing strategy. At that time, City Council is expecting to review the strategy developed by the Commission.

Ms. Bruhn noted that CPC staff would incorporate the suggestions of the Commission and bring it back for CPC action on March 17.

St. John's
Riverview
Hospital:

Ms. Bruhn noted expressed concerns of West Village Association expressed and its desire for the Commission to reconsider its position regarding the proposed expansion of St. John Riverview Hospital.

The Commissioners supported tentatively scheduling a special meeting on March 10, 2005, at 4:30 PM to consider the request. The meeting would only be scheduled if responses have been obtained from the Department of Public Works relative to patching the alley, to making the alley one way and to providing a curb cut in the median on Jefferson Ave. at Field Street to provide another option besides East Grand Blvd. and Van Dyke Ave. for north-south traffic through the neighborhood.

Mr. Loper noted conversations with the developer and West Village Association. Every effort would be made to obtain the requested responses by March 10. The developer felt that waiting two weeks for the Commission to take action would kill the project.

NEZ
Survey
Results

CPC staff members Christopher Gulock and Kimberly James presented results of a survey conducted in 2004 to assess the influence of Neighborhood Enterprise Zones on the sale and purchase of homes.

The survey was conducted as a result of a September 26, 2003 City Council discussion on whether or not the Council should adopt additional criteria for the approval of NEZ's and the need to study the overall impact and trend analysis of NEZ approvals, including what happens in zones after the NEZ expires and to what extent granting NEZ's for new high-end housing negatively impacts established areas such as Rosedale Park and University District. Details of the results were contained in CPC staff's November 18, 2004 report to the City Council.

The NEZ Act allows no more than 15% of the City to be designated for neighborhood enterprise zones, which totals 13,329 acres available for designation. It is estimated the City has about 29,000 acres of existing residential areas, so about 46% of the residential land could be designated. Between 1992 and 2004, the City has designated 70 NEZ's covering 4,137 acres. To date, 75 areas have NEZ designation.

Of the 70 designated zones, CPC staff estimated that 34 are designed for more affordable/subsidized units, 32 are designed for market rate units, and 4 are designed for a mix of market rate and affordable units. However, these numbers include some overlap, because some zones envision affordable housing at the beginning with market rate later on, some envision market rate new construction and rehab at more affordable rates, and some projects include a range of market rate from more affordable to very expensive. Since 1992, it appears both market rate and affordable projects have been equally supported with NEZ designation.

CPC staff reviewed criteria contained within the State NEZ Act and criteria used by P&DD when considering NEZ designations.

The NEZ State Act was amended in October 2004. Important changes are that an NEZ certificate shall remain in effect for 6 to 12 years, as determined by the governing body of the local government unit; an NEZ certificate in effect for a rehabilitated facility constituting all or a portion of a qualified historic building shall remain in effect for 11 to 17 years, as determined by the local government unit; and that contiguity of a zone would not be broken by a road, right-of-way, or property purchased or taken under condemnation (if the purchased or condemned property was a single parcel prior to the sale or condemnation). The City will need to decide whether it will want to designate a NEZ for fewer than 12 years and justification for such action.

CPC staff selected 8 neighborhoods to survey in an effort to evaluate criteria that homebuyers use to select communities in which to purchase homes. The nature of the survey was to target particular higher-end, market rate housing and neighborhoods that offered NEZ's. The non-NEZ neighborhoods selected (Rosedale Park, University District) had to be comparable in order to make an accurate data comparison and analysis that attempted to address the impact of NEZ's and incentives to buy in other market-rate, higher-end neighborhoods.

A total of 1,060 surveys were mailed to six neighborhoods with NEZ's (Victoria Park, Virginia Park, Campau Farms, Clairpointe Woods, Grayhaven, Brush Park) and two without NEZ's (Rosedale Park, University District). Approximately 32% of surveys were returned.

The survey consisted of 12 questions that assessed the demographic information of the respondent such as household information, tenure, years in current home, and city of origin prior to moving into their Detroit neighborhood. Other questions assessed why respondents wanted to move into their particular neighborhood, other neighborhoods they considered and why they considered them. For these questions, respondents were allowed to write in multiple responses. The last set of questions assessed their familiarity with NEZ's, the impact of NEZ's on their decision to purchase in a particular neighborhood, awareness of NEZ's prior to searching for homes in particular neighborhoods, and impact of property tax increases on their decision to stay in their homes.

The survey results in general showed that NEZ's are not the most significant factor that homebuyers in search of high-end housing consider when selecting a neighborhood to live in; physical housing characteristics are the most significant. NEZ's have little impact on high-end homebuyers' choice of neighborhoods in Detroit. When NEZ homeowners listed

other neighborhoods they considered, the majority of respondents (71%) listed neighborhoods outside of Detroit and 35% listed neighborhoods in Detroit. Of those Detroit neighborhoods they considered, 80% of them did not have NEZ incentives. Only 5% of all NEZ homeowners mentioned that they considered Rosedale Park or University District as an option. The incentive to buy homes in established, stable neighborhoods is the fact that they are stable and established neighborhoods. All neighborhoods, NEZ and non-NEZ neighborhoods alike, listed housing characteristics as their primary reason/criteria that they selected their home, but people in non-NEZ neighborhoods (Rosedale Park, University District) listed a solid/established neighborhood as their second reason/criteria they selected their neighborhood. People in NEZ areas listed downtown living (Comerica Park, Ford Field, nightlife, attractions) as their second reason. Non-NEZ homeowners believe that the primary reason people move into newer Detroit neighborhoods is because older homes are too expensive/difficult to maintain and the secondary reason is because people want to live in new modern homes.

Preliminary findings seem to suggest that NEZ's may not play as significant a role in high-end homebuyers' selection of neighborhoods as previously thought. Only 15% of NEZ homebuyers listed the NEZ as a reason they moved into their particular neighborhood. The NEZ may function as an added incentive that comes into play after the purchaser has already selected the neighborhood of choice. There is no conclusive evidence based on the survey results that NEZ's are having a negative impact on non-NEZ neighborhoods such as Rosedale Park and University District. Data showed that non-NEZ homebuyers (people who bought in Rosedale Park and University District) were not considering NEZ neighborhoods anyway. They wanted more stable, established high-end neighborhoods within the city of Detroit. Only 7% of non-NEZ homebuyers thought that the NEZ was a reason that people moved into the newer Detroit neighborhoods.

CPC staff felt that projects primarily involving market rate housing should be eligible for NEZ designation. However, CPC staff thinks market rate projects requesting a 12-year certificate should be required to have at least 20% of the units constructed or rehabilitated affordable.

Further discussion with the City Council on the establishment of additional NEZ criteria has been scheduled for March 16, 2005.

Commissioner Smith felt a survey should be conducted of affordable housing neighborhoods with NEZ designations. The conclusion of such a survey would probably indicate that an NEZ designation does make a difference. NEZ designations are good incentives in lower income neighborhoods. The problem is making homeowners understand that after 12 years, the tax abatement expires and taxes increase considerably. Citing housing projects in the U-SNAP-BAC area, Commissioner Smith noted that land had been assessed at \$50 resulting in taxes of \$50/year.

In response to Commissioner Simons, Ms. James noted wording on the survey asking residents whether they would stay or leave an area upon the expiration of the 12 year tax break. Commissioner Jeffrey felt that had questions been worded differently, homeowners would have responded differently to the survey. Analysis may have then concluded that tax breaks play a significant a role.

Ms. Bruhn noted pending legislation that would allow tax breaks in certain established neighborhoods.

Discussion ensued on whether other cities in the State are eligible for NEZ designations.

Commissioner Williams inquired as to whether there are specific income level requirements to receive an NEZ. Mr. Gulock responded negatively.

Upon questioning, CPC staff noted that they did not interview anyone outside of the City of Detroit.

Commissioner Jeffrey felt that the NEZ program is necessary in the City of Detroit. The millage in Detroit is much higher than in other surrounding cities.

Adj.: The meeting was adjourned at 7:15 PM.